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C39MILK MARKET INFORMATION  
CHATTANOOGA TENNESSEE MARKETING AREA  
October 1958

Volume 3

Number 3

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS  
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee  
J. B. McCroskey, Market Administrator

★ NOV 21 1958

MARKET SUMMARY OCTOBER 1958

The Order MINIMUM uniform price payable to producers for milk delivered during October to pool plants located less than 65 miles from City Hall, Chattanooga, Tennessee and distributing milk in Hamilton, Bradley, and McMinn Counties Tennessee is \$4.86 per cwt. f.o.b. plants for milk testing 4.0% butterfat. The butterfat differential is 7.6¢ for each one tenth of one percent above or below 4 percent. (See page 3)

During October 87.7 percent of total producer milk was priced in Class I at \$5.14 per cwt. with a handler butterfat differential of 7.8¢ and 12.3 percent was priced in Class II at \$3.36 per cwt. with a butterfat differential of 6.7¢. (See page 3) The percent of producer skim and butterfat priced in Class I was 88.3% and 73.9% respectively.

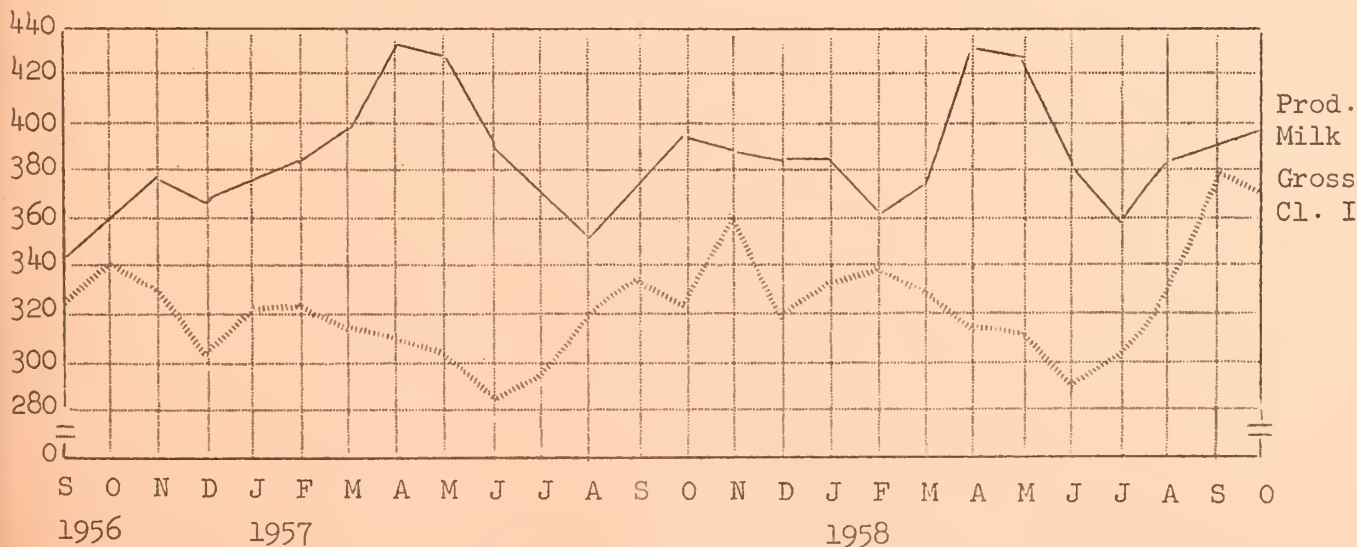
The daily average deliveries of producer milk during October increased 0.8% compared with September and no percentage change compared with October 1957. The daily average use of Class I milk decreased 2.0% compared with September and increased 15.3% compared with October 1957.

The Order Minimum Class I price for November 1958 is \$5.23, an increase of 9 cents over the October price and a decrease of 7 cents from the November 1957 price. The average Mid-West Condenseries price, being the highest of the four alternate price formulas, was used to compute the Class I price for November 1958 plus a 6 cents supply-demand adjustment. (See page 2)

NUMBER OF FARM PAYROLL ACCOUNTS

|          | 1957 |      |      | 1958 |      |      |      |     |      |      |      |       |      |
|----------|------|------|------|------|------|------|------|-----|------|------|------|-------|------|
|          | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. |
| Cans     | 686  | 675  | 667  | 647  | 641  | 626  | 614  | 600 | 586  | 553  | 516  | 490   | 475  |
| Bk. Tank | 126  | 136  | 143  | 157  | 161  | 173  | 184  | 191 | 201  | 229  | 265  | 289   | 303  |
| TOTAL    | 812  | 811  | 810  | 804  | 802  | 799  | 798  | 791 | 787  | 782  | 781  | 779   | 778  |
| New      | 13   | 3    | 3    | 2    | 0    | 1    | 3    | 0   | 0    | 2    | 18   | 23    | 6    |
| Quit     | 12   | 4    | 4    | 8    | 2    | 4    | 4    | 7   | 4    | 7    | 19   | 25    | 7    |

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CL. I UTILIZATION  
(1000 lbs. per day)



## COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

|  | Oct. '58       | Sept. '58      | Oct. '57       |
|--|----------------|----------------|----------------|
| Number of Plants (Pool and Non-Pool)               | 20             | 21             | 21             |
| GROSS RECEIPTS (DAILY)                             |                |                |                |
| Producer Milk - Cans                               | 207,694        | 219,170        | 303,597        |
| Producer Milk - Bulk Tank                          | 187,624        | 172,978        | 91,717         |
| Total Producer Milk Pounds                         | 395,318        | 392,148        | 395,314        |
| % October '58 compared with:                       | 100.0          | 100.8          | 100.0          |
| Other Source Milk Pounds                           | 11,208         | 11,524         | 6,972          |
| Other Order Milk Pounds                            | 20,559         | 25,581         | 15,246         |
| <u>TOTAL RECEIPTS MILK POUNDS</u>                  | <u>427,085</u> | <u>429,253</u> | <u>417,532</u> |
| % October '58 compared with:                       | 100.0          | 99.5           | 102.3          |
| GROSS UTILIZATION (DAILY)                          |                |                |                |
| Class I Milk Pounds:                               |                |                |                |
| Fluid Milk   | 286,508        | 284,269        | 265,910        |
| Buttermilk   | 37,142         | 36,555         | 34,877         |
| Chocolate Milk                                     | 7,931          | 8,749          | 7,011          |
| Fluid Skim   | 6,727          | 6,473          | 4,439          |
| Fluid Creams                                       | 1,982          | 1,953          | 1,882          |
| Bulk to Non-Handlers                               | 32,557         | 41,680         | 8,370          |
| Class I Shrinkage                                  | 1,851          | 2,034          | 1,634          |
| Inventory Reclass.                                 | (2,401)        | (1,657)        | (1,236)        |
| Overstated Sales                                   | -              | (117)          | -              |
| Total Class I Milk                                 | 372,297        | 379,939        | 322,887        |
| % October '58 compared with                        | 100.0          | 98.0           | 115.3          |
| Class II Milk Pounds (Used to Produce)             |                |                |                |
| Butter   | 3,076          | 1,200          | 3,922          |
| Cottage Cheese                                     | 9,827          | 11,566         | 8,268          |
| Powdered and Condensed Milk                        | 11,701         | 5,006          | 59,591         |
| Ice Cream  | 20,460         | 19,423         | 16,161         |
| Inventory Variation                                | (147)          | 1,261          | (2,636)        |
| Other  | 9,871          | 10,858         | 9,339          |
| Total Class II Milk                                | 54,788         | 49,314         | 94,645         |
| % October '58 compared with:                       | 100.0          | 111.1          | 57.9           |
| <u>TOTAL UTILIZATION CL. I and CL. II MILK LBS</u> | <u>427,085</u> | <u>429,253</u> | <u>417,532</u> |
| % Producer Milk of Gross Class I                   | 106.2          | 103.2          | 122.4          |
| % Producer Skim of Gross Class I Skim              | 105.4          | 102.7          | 121.4          |
| % Producer Butterfat of Gross Class I Butterfat    | 126.0          | 117.4          | 147.9          |
| % Producer Milk Priced in Class I                  | 87.7           | 89.4           | 77.0           |

## NOVEMBER 1958 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

|                               | Nov. '58 | Oct. '58 | Nov. '57 |
|-------------------------------|----------|----------|----------|
| Basic Formula (See page 4)    | \$3.42   | \$3.45   | \$3.55   |
| Plus (\$ 1000.51 (a)(1))      | 1.75     | 1.75     | 1.75     |
| Supply-Demand Adjustment      | 0.06     | -0.06    | 0.00     |
| Class I Price, 4.0% Butterfat | \$5.23   | \$5.14   | \$5.30   |

## Per \$ 1000.51 (a)

|   |             |
|---|-------------|
| Supply-Demand Comparison: 1st and 2nd preceding months: September and October |             |
| Supply: Lbs. Producer Milk (Sept. 11,764,431 and Oct. 12,254,859)             | 24,019,290  |
| Demand: Lbs. Net Class I Milk (Sept. 10,695,954 and Oct. 10,975,998)          | 21,671,952  |
| Utilization Percentage: Producer milk divided by Class I                      | 111         |
| Standard Utilization Percentage: Range 114 - 118                              | 114         |
| Net Deviation Percentage: Standard Utiliz. % 114 - minus Utiliz. % 111        | minus 3     |
| Supply-Demand Adjustment: 2 cents x 3 percentage points                       | plus \$0.06 |

Since the supply in relation to the demand is less than the desired standard, the price is increased 6 cents per hundredweight (2 cents x 3 percentage points).



## SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR OCTOBER 1958

Based on 20 plant reports prior to audit

|  | Class<br>% | Milk<br>Pounds | Butterfat<br>Test | Cwt. Price<br>@ Test | Value        |
|--|------------|----------------|-------------------|----------------------|--------------|
| Gross Class I                                      |            | 11,541,194     | 3.665             |                      |              |
| Less Other Source                                  |            | 798,705        | 3.603             |                      |              |
| Producer Milk Class I                              | 87.7       | 10,742,489     | 3.669857          | \$4.882488           | \$524,500.74 |
| Gross Class II                                     |            | 1,698,438      | 8.280             |                      |              |
| Less Other Source                                  |            | 186,068        | 0.934             |                      |              |
| Producer Milk Class II                             | 12.3       | 1,512,370      | 9.183665          | 6.833056             | 103,341.09   |
| TOTAL PROD. (Cl.I + Cl.II)                         | 100.0      | 12,254,859     | 4.350315          |                      | 627,841.83   |
| Add Fractional Adjustment                          |            |                |                   |                      | .03          |
| Add Compensatory Payment Value                     |            | 215,660        |                   | 0.28                 | 603.86       |
| Add Overage Value                                  |            |                |                   |                      | -            |
| Add Inventory Reclassification Value               |            |                |                   |                      | 268.29       |
| Add $\frac{1}{2}$ Producer-Settlement Fund Reserve |            |                |                   |                      | 5,307.81     |
| TOTAL VALUE AT TEST                                |            | 12,254,859     | 4.350315          |                      | 634,021.82   |
| Less Test Over $4\frac{1}{2}\%$ @ 7.6¢ per point   |            | 12,254,859     | .350315           | 0.266239             | 32,627.21    |
| TOTAL VALUE AT 4.0%                                |            | 12,254,859     | 4.0               | 4.907397             | 601,394.61   |
| Less Producer-Settlement Fund Reserve              |            | 12,254,859     |                   | .047397              | 5,808.44     |
| UNIFORM PRICE f.o.b. POOL PLANT                    |            | 12,254,859     | 4.0               | 4.86                 | 595,586.17   |

OCTOBER 1958 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)  
 BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

| TEST | PRICE  | TEST | PRICE   | TEST | PRICE   | TEST | PRICE   | TEST | PRICE   |
|------|--------|------|---------|------|---------|------|---------|------|---------|
| 3.0  | \$4.10 | 3.6  | \$4.556 | 4.2  | \$5.012 | 4.8  | \$5.468 | 5.4  | \$5.924 |
| 3.05 | 4.138  | 3.65 | 4.594   | 4.25 | 5.05    | 4.85 | 5.506   | 5.45 | 5.962   |
| 3.1  | 4.176  | 3.7  | 4.632   | 4.3  | 5.088   | 4.9  | 5.544   | 5.5  | 6.00    |
| 3.15 | 4.214  | 3.75 | 4.67    | 4.35 | 5.126   | 4.95 | 5.582   | 5.55 | 6.038   |
| 3.2  | 4.252  | 3.8  | 4.708   | 4.4  | 5.164   | 5.0  | 5.62    | 5.6  | 6.076   |
| 3.25 | 4.29   | 3.85 | 4.746   | 4.45 | 5.202   | 5.05 | 5.658   | 5.65 | 6.114   |
| 3.3  | 4.328  | 3.9  | 4.784   | 4.5  | 5.24    | 5.1  | 5.696   | 5.7  | 6.152   |
| 3.35 | 4.366  | 3.95 | 4.822   | 4.55 | 5.278   | 5.15 | 5.734   | 5.75 | 6.19    |
| 3.4  | 4.404  | 4.0  | 4.86    | 4.6  | 5.316   | 5.2  | 5.772   | 5.8  | 6.228   |
| 3.45 | 4.442  | 4.05 | 4.898   | 4.65 | 5.354   | 5.25 | 5.81    | 5.85 | 6.266   |
| 3.5  | 4.48   | 4.1  | 4.936   | 4.7  | 5.392   | 5.3  | 5.848   | 5.9  | 6.304   |
| 3.55 | 4.518  | 4.15 | 4.974   | 4.75 | 5.43    | 5.35 | 5.886   | 5.95 | 6.342   |

ACTIVITIES OF CHECK TESTERS October 1958; Plant Scales checked 3; Plant calls 110  
 Samples tested - Composite 2,035, Fresh 4,725, Finished Products 219

## NOTICE OF NEW MILK BASE FORMING PERIOD

Each producer for the Chattanooga marketing area will have a NEW MILK BASE to be used in making payment to such producer during the months of March through July 1959. The 1959 daily average base will be computed by dividing each producer's total Grade "A" milk deliveries to pool plants during Sept. 1958 through Jan. 1959 by the number of days from the first day of delivery to the last day of January, inclusive, but not less than 120 days. August 1958 through Feb. 1959, producers will be paid a uniform blend price for their total milk deliveries. Milk bases should be in the CORRECT NAME of person or persons for whom BASE CREDIT is to be given. Producers (particularly partnerships) are urged to see that their name is correctly listed with the handler receiving their milk.

## SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

| Month    | PRODUCER UNIFORM PRICES |                 |        |         | HANDLER CLASS PRICES |         |          |         |
|----------|-------------------------|-----------------|--------|---------|----------------------|---------|----------|---------|
|          | Per Hundredweight       |                 |        |         | Class I              |         | Class II |         |
|          | Uniform                 | Base            | Excess | Bf.Dif. | Cwt.                 | Bf.Dif. | Cwt.     | Bf.Dif. |
| Oct. '57 | \$4.92 <u>1</u>         | -               | -      | 7.2¢    | \$5.36 <u>1</u>      | 7.9¢    | \$3.55   | 6.9¢    |
| Nov.     | 5.06 <u>1</u>           | -               | -      | 7.1     | 5.30 <u>1</u>        | 7.8     | 3.53     | 6.8     |
| Dec.     | 4.87 <u>1</u>           | -               | -      | 7.2     | 5.28 <u>1</u>        | 7.7     | 3.54     | 6.9     |
| Jan. '58 | 4.94 <u>1</u>           | -               | -      | 7.1     | 5.29 <u>1</u>        | 7.8     | 3.56     | 6.8     |
| Feb.     | 5.02 <u>1</u>           | -               | -      | 7.1     | 5.31 <u>1</u>        | 7.7     | 3.16     | 6.8     |
| Mar.     | 4.90 <u>2</u>           | \$5.02 <u>1</u> | \$3.06 | 7.4     | 5.32                 | 7.7     | 3.10     | 6.8     |
| Apr.     | 4.57 <u>2</u>           | 4.83 <u>1</u>   | 2.98   | 7.2     | 5.37                 | 7.7     | 3.02     | 6.6     |
| May      | 4.35 <u>2</u>           | 4.58 <u>1</u>   | 2.94   | 7.2     | 5.08 <u>1</u>        | 7.5     | 2.98     | 6.6     |
| June     | 4.33 <u>2</u>           | 4.48 <u>1</u>   | 2.95   | 7.2     | 4.96 <u>1</u>        | 7.5     | 2.99     | 6.6     |
| July     | 4.48 <u>2</u>           | 4.62 <u>1</u>   | 3.01   | 7.2     | 4.95 <u>1</u>        | 7.5     | 3.05     | 6.6     |
| Aug.     | 4.59 <u>1</u>           | -               | -      | 7.2     | 5.06 <u>1</u>        | 7.5     | 3.10     | 6.7     |
| Sept.    | 4.77 <u>1</u>           | -               | -      | 7.4     | 4.96 <u>1</u>        | 7.6     | 3.45     | 6.9     |
| Oct.     | 4.86 <u>1</u>           | -               | -      | 7.6     | 5.14 <u>1</u>        | 7.8     | 3.36     | 6.7     |
| Nov.     | -                       | -               | -      | -       | 5.23 <u>1</u>        | 7.6     | -        | -       |

## SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

| Month    | AVERAGE QUOTATIONS   |                 |                  |                 | ALTERNATIVE FORMULAS |                  |                  |                      | Highest<br>or Basic<br>Formula<br>\$-cwt-4% |
|----------|----------------------|-----------------|------------------|-----------------|----------------------|------------------|------------------|----------------------|---|
|          | Mid-West             | Chi. 92°        | Chi. Area        | Wisc.           | (\$-cwt-4%)          |                  |                  |                      |   |
|          | Cond.<br>\$-cwt-3.5% | Butter<br>¢ lb. | Powders<br>¢ lb. | Cheese<br>¢ lb. | Mid-West<br>Cond.    | Butter<br>Cheese | Butter<br>Powder | 4 Tenn.<br>Milk Mfg. |   |
| Oct. '57 | 3.135                | 59.815          | 14.410           | 33.250          | 3.50                 | 3.26             | 3.55             | 3.14                 | 3.55  |
| Nov.     | 3.150                | 59.375          | 14.450           | 33.250          | 3.51                 | 3.24             | 3.53             | 3.19                 | 3.53  |
| Dec.     | 3.146                | 59.685          | 14.475           | 33.250          | 3.51                 | 3.25             | 3.54             | 3.21                 | 3.54  |
| Jan. '58 | 3.133                | 59.375          | 14.535           | 33.250          | 3.49                 | 3.24             | 3.56             | 3.19                 | 3.56  |
| Feb.     | 3.110                | 59.375          | 14.460           | 33.250          | 3.47                 | 3.24             | 3.53             | 3.16                 | 3.53  |
| Mar.     | 3.082                | 59.308          | 14.360           | 32.812          | 3.45                 | 3.23             | 3.52             | 3.10                 | 3.52  |
| Apr.     | 2.956                | 57.750          | 13.405           | 31.057          | 3.32                 | 3.13             | 3.37             | 3.02                 | 3.37  |
| May      | 2.896                | 57.661          | 12.525           | 31.727          | 3.26                 | 3.14             | 3.33             | 2.98                 | 3.33  |
| June     | 2.890                | 57.750          | 12.425           | 31.750          | 3.25                 | 3.14             | 3.30             | 2.99                 | 3.30  |
| July     | 2.921                | 57.750          | 12.545           | 31.750          | 3.28                 | 3.14             | 3.33             | 3.05                 | 3.33  |
| Aug.     | 2.960                | 58.137          | 12.640           | 31.770          | 3.32                 | 3.16             | 3.35             | 3.10                 | 3.35  |
| Sept.    | 2.995                | 60.250          | 12.635           | 32.062          | 3.37                 | 3.26             | 3.45             | 3.11                 | 3.45  |
| Oct.     | 3.040                | 58.364          | 12.685           | 32.700          | 3.42                 | 3.18             | 3.36             | 3.14                 | 3.42  |

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

| Month    | GROSS POUNDS MILK <sup>3</sup> |         |         |         |         | Number |       | Deliveries Per |      |      | Prod.  |
|----------|--------------------------------|---------|---------|---------|---------|--------|-------|----------------|------|------|--------|
|          | Gross                          | Prod.   | Prod.   | Base    | Gross   | of     |       | Farm -- Pounds |      |      | Milk   |
|          | Cl. I                          | Cl. I   | Repts.  | Repts.  | Repts.  | Hdlr.  | Prod. | Prod.          | Base | Exc. | Test % |
| Oct. '57 | 322,887                        | 304,432 | 395,314 | -       | 417,532 | 21     | 812   | 487            | -    | -    | 4.49   |
| Nov.     | 361,772                        | 344,415 | 389,501 | -       | 411,005 | 21     | 811   | 480            | -    | -    | 4.49   |
| Dec.     | 319,015                        | 301,282 | 386,242 | -       | 408,374 | 22     | 810   | 477            | -    | -    | 4.50   |
| Jan. '58 | 333,724                        | 316,224 | 386,527 | -       | 407,418 | 22     | 804   | 481            | -    | -    | 4.48   |
| Feb.     | 337,832                        | 319,309 | 363,475 | -       | 385,707 | 22     | 802   | 453            | -    | -    | 4.47   |
| Mar.     | 329,719                        | 310,776 | 376,313 | 353,279 | 400,141 | 23     | 799   | 471            | 442  | 29   | 4.30   |
| Apr.     | 315,814                        | 292,133 | 431,190 | 371,749 | 458,987 | 23     | 798   | 540            | 466  | 74   | 4.22   |
| May      | 311,391                        | 287,275 | 429,256 | 369,197 | 458,164 | 21     | 791   | 543            | 467  | 76   | 4.22   |
| June     | 288,811                        | 265,772 | 382,696 | 344,531 | 411,822 | 21     | 787   | 486            | 438  | 48   | 4.11   |
| July     | 300,068                        | 276,595 | 359,524 | 328,401 | 389,251 | 21     | 782   | 460            | 420  | 40   | 4.16   |
| Aug.     | 324,059                        | 297,463 | 383,430 | -       | 415,307 | 21     | 781   | 491            | -    | -    | 4.11   |
| Sept.    | 379,939                        | 350,615 | 392,148 | -       | 429,253 | 21     | 779   | 503            | -    | -    | 4.17   |
| Oct.     | 372,297                        | 346,532 | 395,318 | -       | 427,085 | 20     | 778   | 508            | -    | -    | 4.35   |

<sup>1</sup> Excludes Premium<sup>2</sup> For statistics only<sup>3</sup> Other Source is Gross minus Producer: Receipts is Producer minus Base

Class II is receipts minus Class I; Excess